

Drinking Water Supply Protection Grant Program FY09

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Program Introduction & Overview

- This program provides grants to municipalities and public water systems to purchase land or conservation restrictions for the purpose of protecting existing public drinking water supplies.
- Acquisitions completed **prior** to a grantee receiving an executed contract with the Commonwealth **are not eligible** for grant funding.
- Grant funds are provided through the Commonwealth Capital Budget. FY09 available funds will be announced by June 2008.

- The maximum grant request and grant award is \$500,000 per application.
- Grant request and award cannot exceed 50% of the estimated Total Project Cost. The estimated Total Project Cost is determined to be all reasonable costs associated with the project incurred between one year prior to the application due date (September 5th, 2008, and June 30th 2009).
- Applications will only be accepted from municipalities and eligible public water systems. Eligible water systems are those recognized by the Commonwealth to provide drinking water infrastructure and services to the public (e.g. Water Districts, Fire Districts)
- The MWRA and state agencies are not eligible for funding

- Land trusts may work with an applicant, but are not directly eligible for funding
- Must be able to expend 100% of the acquisition costs associated with the approved project on or before June 30th 2009.

Eligible Acquisitions/Projects

- Land may be acquired through outright purchase or a conservation restriction.
- Proposed acquisitions must be located in a MassDEP approved drinking water supply area.
- Proposed acquisitions must be currently unprotected.
- Proposed acquisitions may be in the Applicant's community or in adjacent community.
- Multiple parcels within close proximity of one another and protecting the same drinking water supply source may be packaged into one application.
- Applicants may submit more than one application

Grant Funded Acquisitions

- All acquisitions require MassDEP approval and a public hearing;
- Land must be placed under the control of the Board of Water Commissioners (or Board of Selectmen authorized as such);
- Land must be protected pursuant to Article 97 of the Amendments to the Constitution of the Commonwealth;
- Acquisitions may be open to the general public for appropriate outdoor/recreational use or may be restricted to drinking water supply uses only; and
- Only facilities needed to extract water from the source (e.g. a well head or pumping station) will be allowed on properties acquired through this program

Eligible & Ineligible Project Costs

- Eligible project costs: Appraisals- Surveys & Plans of Land - Title searches - Legal fees - Recording fees - Appraised or actual cost of land or CR, whichever is less – the value of donated land or a donated CR – other reasonable costs.
- Ineligible project costs: Cost for preparing and submitting an application - Staff salaries – Consulting fees – Land Court Legal fees - Equipment or goods – and other costs determined to not be eligible.

Sample 1: Estimated Total Project Cost

	Project w/o donation	Project w/ donation
<i>Appraised value of acquisition</i>	<i>\$200,000</i>	<i>\$200,000</i>
<i>Appraisal</i>	<i>\$5,000</i>	<i>\$5,000</i>
<i>Title search</i>	<i>\$300</i>	<i>\$300</i>
<i>Survey</i>	<i>\$1,000</i>	<i>\$1,000</i>
<i>Recording fees</i>	<i>\$300</i>	<i>\$300</i>
<i>Legal fees</i>	<i>\$3,400</i>	<i>\$3,400</i>
<i>Appraised value of donation</i>	<i>\$0</i>	<i>\$100,000</i>
Estimated Total Project Cost:	\$210,000	\$310,000
Maximum Grant Request/Award:	\$105,000	\$155,000

Partnership Examples

- **Town of Brewster, Brewster Conservation Trust, and The Compact**

BCT/The Compact = Technical assistance, application preparation, plus negotiations with the landowner



- **City of Leominster and the Trust for Public Land**
TPL = Technical assistance, application preparation, plus associated acquisition costs



Reimbursement

- Reimbursement amount cannot exceed: (a) the original grant award (b) 50% of the final total project cost; and (c) 100% of costs incurred during the grant contract period
- Final Total Project Cost: Actual expenditures for approved acquisition costs, and the final approved purchase price
- Final approved purchase price: Actual purchase price or the appraised value **whichever is less**
- MassDEP can only reimburse costs incurred on or after the grant contract execution date. **DO NOT purchase the property or conservation restriction before a grant contract has been executed!!**

Sample 2:

Estimated vs. Final Total Project Cost

	Estimated Total Project Cost	Final Total Project Cost (1)	Final Total Project Cost (2)
<i>Appraised Value/ Actual Cost</i>	<i>\$200,000 (Appraised value)</i>	<i>\$175,000 (Actual cost)</i>	<i>\$250,000 (Actual cost)</i>
<i>Appraisal</i>	<i>\$5,000</i>	<i>\$5,000</i>	<i>\$5,000</i>
<i>Title search</i>	<i>\$300</i>	<i>\$300</i>	<i>\$300</i>
<i>Survey</i>	<i>\$1,000</i>	<i>\$1,000</i>	<i>\$1,000</i>
<i>Recording fees</i>	<i>\$300</i>	<i>\$300</i>	<i>\$300</i>
<i>Legal fees</i>	<i>\$3,400</i>	<i>\$3,400</i>	<i>\$3,400</i>
Total:	\$210,000	\$185,000	\$260,000
	\$105,000 (Max. Grant Request/Award)	\$92,500 (Max. Reimbursement)	\$105,000 (Max. Reimbursement)

Sample 3:

Final Total Project Cost vs. Costs Eligible for Reimbursement

Contract Execution Date = 1/5/07

Original Grant Award = \$105,000

	Final Total Project Cost	Date of Expenditure	Costs Eligible for Reimbursement
<i>Final Approved Purchase Price</i>	<i>\$200,000</i>	<i>3/17/07</i>	<i>\$200,000</i>
<i>Appraisal</i>	<i>\$5,000</i>	<i>8/15/06</i>	<i>\$0</i>
<i>Title search</i>	<i>\$300</i>	<i>3/17/07</i>	<i>\$300</i>
<i>Survey</i>	<i>\$1,000</i>	<i>2/6/07</i>	<i>\$1,000</i>
<i>Recording fees</i>	<i>\$300</i>	<i>3/17/07</i>	<i>\$300</i>
<i>Legal fees</i>	<i>\$3,400</i>	<i>4/5/07</i>	<i>\$3,400</i>
Total:	\$210,000		\$205,000

Reimbursement = \$105,000

Reimbursement does not exceed:

- The original grant award
- 50% of the final total project cost
- 100% of costs incurred during the grant contract period

Reimbursement Requirements

When filing for reimbursement, grantees will be required to provide the following documentation:

- Reimbursement Billing Form
- GIS Data Entry Form
- Copy of recorded Deed or Conservation Restriction
- Plan of Land
- Copy of title certification
- Copy of vote authorizing the acquisition
- Proof of payment (e.g. canceled checks, wire transfer statements)

Appraisal Requirements

- 1 appraisal for parcels with appraised values of less than \$500,000.
- **2 appraisals** for parcel with an appraised value of \$500,000 or more. Two contracted appraisals by different certified or licensed real estate appraisers. One may be a summary appraisal report but one must be a full self-contained appraisal report.
- Appraisals must be dated **no earlier than one year prior** to the date the application is received.